
SENATE BILL No. 373

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2; IC 16-48.

Synopsis: Health security program. Establishes the health security program within the state department of health. Provides for health coverage for eligible individuals.

Effective: July 1, 2007.

Simpson

January 11, 2007, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 373

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-49 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 49. (a) "Carrier", for
3 purposes of IC 16-41, means a person who has:

- 4 (1) tuberculosis in a communicable stage; or
5 (2) another dangerous communicable disease.

6 (b) "Carrier", for purposes of IC 16-48, has the meaning set
7 forth in IC 16-48-1-2.

8 SECTION 2. IC 16-18-2-62.2 IS ADDED TO THE INDIANA
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2007]: Sec. 62.2. "Commissioner" refers to
11 the state health commissioner appointed under IC 16-19-4-2.

12 SECTION 3. IC 16-18-2-92.8 IS ADDED TO THE INDIANA
13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2007]: Sec. 92.8. "Dependent", for purposes
15 of IC 16-48, has the meaning set forth in IC 16-48-1-3.

16 SECTION 4. IC 16-18-2-106.6 IS ADDED TO THE INDIANA
17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS



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[EFFECTIVE JULY 1, 2007]: **Sec. 106.6. "Eligible employer", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-4.**

SECTION 5. IC 16-18-2-106.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 106.7. "Eligible employee", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-5.**

SECTION 6. IC 16-18-2-106.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 106.8. "Eligible individual", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-6.**

SECTION 7. IC 16-18-2-159.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 159.1. (a) "Health benefit plan", for purposes of IC 16-47-1, has the meaning set forth in IC 16-47-1-2.**

(b) "Health benefit plan", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-7.

SECTION 8. IC 16-18-2-267.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 267.7. "Participating employer", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-8.**

SECTION 9. IC 16-18-2-294.5, AS AMENDED BY P.L.95-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 294.5. (a) "Program", for purposes of IC 16-40-4, has the meaning set forth in IC 16-40-4-3.**

(b) "Program", for purposes of IC 16-47-1, has the meaning set forth in IC 16-47-1-3.

(c) "Program", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-9.

SECTION 10. IC 16-18-2-294.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 294.6. "Program carrier", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-10.**

SECTION 11. IC 16-18-2-294.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 294.7. "Program enrollee", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-11.**

SECTION 12. IC 16-18-2-295, AS AMENDED BY P.L.90-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 295. (a) "Provider", for purposes of IC 16-21-8, has the meaning set forth in IC 16-21-8-0.6.**

(b) "Provider", for purposes of IC 16-38-5, IC 16-39 (except for IC 16-39-7) and IC 16-41-1 through IC 16-41-9 and IC 16-41-37,

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means any of the following:

(1) An individual (other than an individual who is an employee or a contractor of a hospital, a facility, or an agency described in subdivision (2) or (3)) who is licensed, registered, or certified as a health care professional, including the following:

- (A) A physician.
- (B) A psychotherapist.
- (C) A dentist.
- (D) A registered nurse.
- (E) A licensed practical nurse.
- (F) An optometrist.
- (G) A podiatrist.
- (H) A chiropractor.
- (I) A physical therapist.
- (J) A psychologist.
- (K) An audiologist.
- (L) A speech-language pathologist.
- (M) A dietitian.
- (N) An occupational therapist.
- (O) A respiratory therapist.
- (P) A pharmacist.

(2) A hospital or facility licensed under IC 16-21-2 or IC 12-25 or described in IC 12-24-1 or IC 12-29.

(3) A health facility licensed under IC 16-28-2.

(4) A home health agency licensed under IC 16-27-1.

(5) An employer of a certified emergency medical technician, a certified emergency medical technician-basic advanced, a certified emergency medical technician-intermediate, or a certified paramedic.

(6) The state department or a local health department or an employee, agent, designee, or contractor of the state department or local health department.

(c) "Provider", for purposes of IC 16-39-7-1, has the meaning set forth in IC 16-39-7-1(a).

(d) "Provider", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-13.

SECTION 13. IC 16-18-2-351.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 351.7. "Third party administrator", for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-14.**

SECTION 14. IC 16-18-2-357.7 IS ADDED TO THE INDIANA

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CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2007]: **Sec. 357.7. "Unemployed individual",**
for purposes of IC 16-48, has the meaning set forth in
IC 16-48-1-15.

SECTION 15. IC 16-48 IS ADDED TO THE INDIANA CODE AS
A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
2007]:

ARTICLE 48. HEALTH SECURITY PROGRAM

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this
article.

Sec. 2. "Carrier" means:

- (1) an insurance company that holds a certificate of authority
to issue or deliver a policy of accident and sickness insurance
(as defined in IC 27-8-5-1); or
- (2) a health maintenance organization that holds a certificate
of authority granted under IC 27-13.

Sec. 3. "Dependent" means:

- (1) a spouse;
- (2) an unmarried child who is less than nineteen (19) years of
age;
- (3) a child who is:
 - (A) a student;
 - (B) less than twenty-three (23) years of age; and
 - (C) financially dependent upon a program enrollee; or
- (4) an individual of any age who:
 - (A) is the child of a program enrollee;
 - (B) has a disability; and
 - (C) is dependent upon the program enrollee.

**Sec. 4. (a) "Eligible employer" means a business or a
municipality (as defined in IC 36-1-2-11) that employs at least two
(2) but not more than fifty (50) eligible employees, the majority of
whom are employed in Indiana.**

**(b) One (1) year after the commencement of operation of the
program, the commissioner may adopt rules under IC 4-22-2 to
define the term "eligible employer" to include employers that
employee more than fifty (50) eligible employees.**

**Sec. 5. (a) "Eligible employee" means an employee who works
for an eligible business at least twenty (20) hours per week.**

(b) The term does not include an employee who works:

- (1) on a temporary or substitute basis; or
- (2) less than twenty-seven (27) weeks per year.

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Sec. 6. "Eligible individual" means:

(1) a self-employed individual:

(A) who works and resides in Indiana;

(B) who is organized as a sole proprietorship or in another manner in which a self-employed individual may legally organize; and

(C) a substantial part of whose income is derived from a trade or business through which the individual attempts to earn taxable income;

(2) an unemployed individual who resides in Indiana; or

(3) an individual employed by an eligible employer that does not offer health coverage.

Sec. 7. "Health benefit plan" includes the following:

(1) A policy of accident and sickness insurance (as defined in IC 27-8-5-1).

(2) A contract with a health maintenance organization under IC 27-13.

Sec. 8. (a) "Participating employer" means an eligible employer that contracts with the state department under this article.

(b) The term includes an eligible employer that is a business if:

(1) the owner of the business; or

(2) a responsible agent of the business who is authorized to sign contracts on behalf of the business;

contracts with the state department under this article on behalf of the business.

Sec. 9. "Program" refers to the health security program established by IC 16-48-2-1.

Sec. 10. "Program carrier" means a carrier that has entered into a contract with the state department to provide health benefit plan coverage under the program.

Sec. 11. "Program enrollee" means an eligible individual or eligible employee who enrolls in the program.

Sec. 12. "Provider" means a person that is authorized to provide health care services and products in Indiana.

Sec. 13. "Third party administrator" means a person that:

(1) receives or collects charges, contributions, or premiums for; or

**(2) settles claims in connection with;
a health benefit provided in or as an alternative to a health benefit plan.**

Sec. 14. "Unemployed individual" means an individual who works not more than twenty (20) hours per week for a single

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1 employer.

2 **Chapter 2. Health Security Program**

3 **Sec. 1. The health security program (referred to as "the**
 4 **program" in this article) is established within the state department**
 5 **to provide comprehensive, affordable health coverage to eligible**
 6 **employees, eligible individuals, and dependents of eligible**
 7 **employees and eligible individuals on a voluntary basis.**

8 **Sec. 2. The state department shall do the following:**

9 (1) Determine the comprehensive services and benefits to be
 10 included in the program and develop the specifications for the
 11 program's health coverage.

12 (2) Establish administrative and accounting procedures as
 13 recommended by the state board of accounts for the operation
 14 of the program.

15 (3) Develop and implement a plan to publicize the existence of
 16 the program, including the publicizing of eligibility
 17 requirements and enrollment procedures.

18 (4) Arrange the provision of program health coverage to
 19 eligible individuals and eligible employees through contracts
 20 with one (1) or more qualified bidders.

21 (5) Develop a high risk pool for program enrollees.

22 **Sec. 3. The state department may do the following:**

23 (1) Enter into contracts with qualified third parties for
 24 services necessary to implement this article.

25 (2) Take legal action necessary to:

26 (A) avoid the payment of improper claims against the
 27 coverage provided by the program;

28 (B) recover amounts erroneously or improperly paid by
 29 the program;

30 (C) recover amounts paid by the program as a result of
 31 mistake of fact or law;

32 (D) recover or collect savings offset payments that are due
 33 the program or that are necessary for the proper
 34 administration of the program; and

35 (E) recover amounts due the program.

36 (3) Establish and administer a revolving loan fund to assist
 37 providers in the purchase of hardware and software necessary
 38 to implement requirements for electronic submission of
 39 claims.

40 (4) Solicit matching contributions to a revolving loan fund
 41 established under subdivision (3) from each program carrier.

42 (5) Apply for and receive funds, grants, or contracts.

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(6) Conduct studies and analyses related to the provision of health care services, health care costs, and quality.

Sec. 4. The auditor of state shall annually:

(1) audit the program; and

(2) submit a copy of the audit results to the legislative council in an electronic format under IC 5-14-6.

Chapter 3. Health Coverage

Sec. 1. The state department shall provide health coverage under the program through one (1) or more program carriers not later than July 1, 2008.

Sec. 2. The state department shall do the following:

(1) Issue requests for proposals from carriers.

(2) Require program carriers to offer a health benefit plan that meets the program's requirements.

(3) Make payments to program carriers.

Sec. 3. The state department may do the following:

(1) Set allowable rates for administration and underwriting gains.

(2) Arrange for the provision of quality improvement, disease prevention, disease management, and cost containment provisions through contracts with program carriers or other entities.

(3) Administer continuation benefits for an eligible individual who:

(A) was previously employed by an employer that employs at least twenty (20) employees; and

(B) purchased health coverage through the program for the duration of the employee's eligibility period for continuation benefits under the federal Consolidated Omnibus Budget Reconciliation Act, Public Law 99-272, Title X, Private Health Insurance Coverage, Sections 10001 to 10003.

(4) Administer or contract to administer Internal Revenue Code of 1986, Section 125 plans for employers and employees that participate in the program, including medical expense and dependent care reimbursement accounts.

Sec. 4. To qualify as a program carrier, a carrier must do the following:

(1) Provide health care services and coverage for the program as determined by the state department, including:

(A) a standard benefit package that includes coverage for the specific health care services, diseases, and types of

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providers for which coverage is provided under the Medicaid program under IC 12-15; and

(B) supplemental benefits available under the program.

(2) Ensure that providers that contract with a program carrier:

(A) do not charge program enrollees or third parties for covered health care services in excess of the amount allowed by the program carrier;

(B) do not refuse to provide coverage to a program enrollee on the basis of health status, medical condition, previous insurance status, race, color, creed, age, national origin, citizenship status, gender, sexual orientation, disability, or marital status; and

(C) are reimbursed at rates negotiated between the program carrier and the program carrier's provider network.

Chapter 4. Participating Employers

Sec. 1. The state department shall contract with eligible employers to provide health coverage for:

(1) eligible employees; and

(2) dependents of eligible employees;
of the eligible employers.

Sec. 2. The state department shall collect payments from each participating employer and each eligible employee who is a program enrollee to cover the cost of:

(1) health coverage for the program enrollee and dependents of the program enrollee in contribution amounts determined by the state department;

(2) quality assurance, disease prevention, disease management, and cost containment programs;

(3) administrative services; and

(4) health promotion costs.

Sec. 3. (a) The state department shall establish a minimum contribution level, not to exceed sixty percent (60%), to be paid by each participating employer toward the participating employer's aggregate payment for coverage of eligible employees of the participating employer who are program enrollees.

(b) A minimum required contribution level established under subsection (a) must be prorated for program enrollees who work less than the number of hours of a full-time equivalent eligible employee.

(c) The state department may establish a separate minimum

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1 contribution level to be paid by each participating employer for
 2 coverage of dependents of eligible employees of the participating
 3 employer who are program enrollees.

4 **Sec. 4.** The state department shall require each participating
 5 employer to certify that:

6 (1) at least seventy-five percent (75%) of the participating
 7 employer's eligible employees who:

8 (A) work for the participating employer at least thirty (30)
 9 hours per week; and

10 (B) do not have other creditable coverage;
 11 are program enrollees; and

12 (2) the participating employer group otherwise meets the
 13 minimum participation requirements established under this
 14 article.

15 **Sec. 5.** The state department shall reduce program payment
 16 amounts for a program enrollee who is eligible for a subsidy under
 17 IC 16-48-6.

18 **Sec. 6.** The state department shall require a participating
 19 employer to pass on a subsidy to a program enrollee who qualifies
 20 for a subsidy under IC 16-48-6. The amount of a subsidy that a
 21 participating employer may be required to pass on to a program
 22 enrollee under this section may not exceed the full amount of
 23 payments made by the program enrollee.

24 **Sec. 7.** The state department may establish other criteria for
 25 participation and may limit the number of participating employers.

26 **Chapter 5. Individual Enrollees**

27 **Sec. 1.** The state department may permit an eligible individual
 28 to participate in program health coverage for the eligible
 29 individual and dependents of the eligible individual.

30 **Sec. 2.** The state department may collect payments from an
 31 eligible individual who is a program enrollee to cover the cost of:

32 (1) health coverage for the program enrollee and dependents
 33 of the program enrollee in contribution amounts determined
 34 by the state department;

35 (2) quality assurance, disease prevention, disease
 36 management, and cost containment programs;

37 (3) administrative services; and

38 (4) health promotion costs.

39 **Sec. 3.** The state department shall reduce program payment
 40 amounts for an eligible individual who is a program enrollee and
 41 who is eligible for a subsidy under IC 16-48-6.

42 **Sec. 4.** The state department may require an eligible individual

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1 who is a program enrollee to certify that all of the eligible
2 individual's dependents are program enrollees or are covered by
3 another creditable plan.

4 **Sec. 5.** The state department may require an eligible individual
5 who applies to the program for health coverage and who is
6 currently employed by an eligible employer that does not offer
7 health coverage to certify that the eligible employer did not provide
8 access to an employer sponsored health benefit plan in the twelve
9 (12) month period immediately preceding the eligible individual's
10 program application.

11 **Sec. 6.** The state department may limit the number of program
12 enrollees and may establish other criteria for participation.

13 **Chapter 6. Subsidies**

14 **Sec. 1. (a)** The state department shall establish sliding scale
15 subsidies for the purchase of health coverage paid by an eligible
16 individual or eligible employee:

- 17 (1) whose family income is less than three hundred percent
- 18 (300%) of the federal income poverty level;
- 19 (2) who is a resident of Indiana;
- 20 (3) who is not eligible for Medicaid; and
- 21 (4) who is a program enrollee.

22 **(b)** The state department may establish sliding scale subsidies
23 for the purchase of employer sponsored health coverage by an
24 employee:

- 25 (1) whose employer employs more than fifty (50) employees;
- 26 (2) whose family income is less than three hundred percent
- 27 (300%) of the federal income poverty level;
- 28 (3) who is not eligible for Medicaid; and
- 29 (4) who meets other criteria established by the state
- 30 department;

31 if the employer sponsored health coverage meets criteria
32 established by the state department.

33 **Sec. 2.** The state department shall limit the availability of
34 subsidies consistent with availability of funds.

35 **Sec. 3.** The state department may limit a subsidy to an eligible
36 individual who is a program enrollee forty percent (40%) of the
37 amount of a payment made by an eligible individual who is a
38 program enrollee to more closely parallel the subsidy received by
39 an eligible employee who is a program enrollee. However, a
40 subsidy granted to an eligible individual may not exceed the
41 maximum subsidy level available to an eligible employee.

42 **Chapter 7. Savings Offset Payments**

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1 **Sec. 1. (a) The commissioner shall annually conduct a hearing**
 2 **under IC 4-21.5 to obtain public testimony concerning the program**
 3 **before making a determination under subsection (b).**

4 **(b) The commissioner shall, following the hearing described in**
 5 **subsection (a), annually determine any:**

6 **(1) aggregate measurable cost savings, including a reduction**
 7 **or avoidance of bad debt and charity care costs, to providers**
 8 **in Indiana as a result of the operation of the program; and**

9 **(2) increase in coverage provided under the:**

10 **(A) Medicaid program under IC 12-15; or**

11 **(B) children's health insurance program under IC 12-17.6;**
 12 **funded by the program.**

13 **Sec. 2. (a) The commissioner shall establish a savings offset**
 14 **payment, at a rate not to exceed the aggregate measurable cost**
 15 **savings determined under section 1 of this chapter, to be made to**
 16 **the state department by carriers, employee benefit excess**
 17 **insurance carriers, and third party administrators. However,**
 18 **savings offset payments may not be established under this section**
 19 **for carriers, employee benefit excess insurance carriers, and third**
 20 **party administrators for accidental injury, specified disease,**
 21 **hospital indemnity, dental, vision, disability income, long term**
 22 **care, Medicare supplement, or other limited benefit health**
 23 **coverage.**

24 **(b) Savings offset payments must begin under this chapter**
 25 **twelve (12) months after the program begins providing health**
 26 **coverage.**

27 **(c) Savings offset payments:**

28 **(1) must be made on a quarterly basis not less than thirty (30)**
 29 **days after written notice from the state department to the**
 30 **carrier, employee benefit excess insurance carrier, or third**
 31 **party administrator; and**

32 **(2) accrue interest at twelve percent (12%) per annum on or**
 33 **after the due date.**

34 **Sec. 3. (a) The savings offset payments that a carrier or an**
 35 **employee benefit excess insurance carrier is required to make**
 36 **under this chapter for a year may not exceed four percent (4%) of**
 37 **the annual health coverage premiums or employee benefit excess**
 38 **insurance premiums received by the carrier or employee benefit**
 39 **excess insurance carrier for coverage of residents of Indiana.**

40 **(b) Savings offset payments required under subsection (a) must**
 41 **not exceed the aggregate measurable cost savings determined**
 42 **under section 1 of this chapter.**

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1 Sec. 4. (a) The commissioner shall make reasonable efforts to
 2 ensure that premium revenue, or claims plus administrative
 3 expenses and fees with respect to third party administrators, is
 4 counted only once in determining savings offset payments under
 5 this chapter.

6 (b) The state department shall allow:

7 (1) a carrier to exclude from the carrier's gross premium
 8 revenue reinsurance premiums that have been counted by the
 9 carrier for the purpose of determining the carrier's savings
 10 offset payment; and

11 (2) an employee benefit excess insurance carrier to exclude
 12 from the employee benefit excess insurance carrier's gross
 13 premium revenue the amount of claims that have been
 14 counted by a third party administrator for the purpose of
 15 determining the third party administrator's savings offset
 16 payment under this chapter.

17 (c) The state department may verify a savings offset payment
 18 amount based on annual statements and other reports of a carrier,
 19 an employee benefit excess insurance carrier, or a third party
 20 administrator.

21 Sec. 5. The insurance commissioner appointed under
 22 IC 27-1-1-2 may do any of the following:

23 (1) Suspend or revoke, after notice and hearing:

24 (A) a carrier's or an employee benefit excess insurance
 25 carrier's certificate of authority under IC 27; or

26 (B) a third party administrator's license under IC 27-1-25;
 27 if the carrier, employee benefit excess insurance carrier, or
 28 third party administrator fails to make a savings offset
 29 payment under this chapter.

30 (2) Assess a civil penalty against a carrier, an employee
 31 benefit excess insurance carrier, or a third party
 32 administrator that fails to make a savings offset payment
 33 under this chapter.

34 (3) Take another enforcement action to collect any unpaid
 35 savings offset payments for the state department.

36 Sec. 6. (a) On an annual basis, the state department shall
 37 prospectively determine the savings offset to be applied during
 38 each twelve (12) month period.

39 (b) Annual savings offset payments must be reconciled to
 40 determine whether unused savings offset payments may be
 41 returned to carriers, employee benefit excess insurance carriers,
 42 and third party administrators according to a formula developed

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by the state department.

(c) Savings offset payments must be used solely to fund the subsidies established under IC 16-48-6 and may not exceed savings from reductions in growth of the state's health care spending and bad debt and charity care.

Sec. 7. (a) A carrier and a provider shall demonstrate that best efforts have been made to ensure that a carrier has recovered savings offset payments made under this chapter through negotiated reimbursement rates that reflect the provider's reduction or stabilization of bad debt and charity care as a result of the program.

(b) A carrier shall use best efforts to ensure that health coverage premiums charged by the carrier reflect recovery of savings offset payments as the savings offset payments are reflected through incurred claims experience.

Sec. 8. During a negotiation with a carrier relating to a provider's reimbursement agreement with the carrier, the provider shall provide data related to a reduction or stabilization of bad debt and charity care costs to providers in Indiana as a result of the program.

Chapter 8. Health High Risk Pool

Sec. 1. The state department shall establish a health high risk pool.

Sec. 2. A program enrollee must be included in the high risk pool if:

- (1) the total cost of health care services for the program enrollee exceeds one hundred thousand dollars (\$100,000) in a twelve (12) month period; or
- (2) the program enrollee has been diagnosed with one (1) or more of the following conditions:
 - (A) Acquired immune deficiency syndrome.
 - (B) Angina pectoris.
 - (C) Cirrhosis of the liver.
 - (D) Coronary occlusion.
 - (E) Cystic fibrosis.
 - (F) Friedreich's ataxia.
 - (G) Hemophilia.
 - (H) Hodgkin's disease.
 - (I) Huntington's chorea.
 - (J) Juvenile diabetes.
 - (K) Leukemia.
 - (L) Metastatic cancer.

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- 1 (M) Motor or sensory aphasia.
- 2 (N) Multiple sclerosis.
- 3 (O) Muscular dystrophy.
- 4 (P) Myasthenia gravis.
- 5 (Q) Myotonia.
- 6 (R) Heart disease requiring open heart surgery.
- 7 (S) Parkinson's disease.
- 8 (T) Polycystic kidney disease.
- 9 (U) Psychotic disorders.
- 10 (V) Quadriplegia.
- 11 (W) Stroke.
- 12 (X) Siringomyelia.
- 13 (Y) Wilson's disease.

14 **Sec. 3. The state department shall:**

- 15 (1) develop appropriate disease management protocols and
- 16 procedures for implementing the disease management
- 17 protocols; and
- 18 (2) determine the manner in which disease management
- 19 services must be provided to program enrollees in the high
- 20 risk pool.

21 **Sec. 4. The state department may:**

- 22 (1) include disease management services in the state
- 23 department's contract with a program carrier;
- 24 (2) contract with another entity for disease management
- 25 services; or
- 26 (3) provide disease management services directly through the
- 27 program.

28 **Chapter 9. Confidentiality**

29 **Sec. 1. Personally identifiable financial information, supporting**
 30 **data, and a person's tax return obtained by the program under this**
 31 **article are confidential.**

32 **Sec. 2. Health information obtained by the program under this**
 33 **article and covered by the federal Health Insurance Portability and**
 34 **Accountability Act of 1996 is confidential.**

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